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VIA HAND DELIVERY
PROPRIETARY INFORMATION ENCLOSED

David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

Re: *BellSouth Telecommunications, Inc.'s Entry Into Long Distance
(InterLATA) Service in Tennessee Pursuant to Section 271 of
the Telecommunications Act of 1996*
Docket No. 97-00309

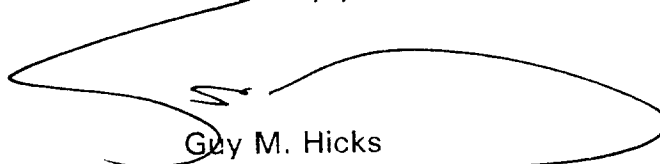
Dear Mr. Waddell:

Enclosed are five paper copies and 2 CD ROMs ("Public" and "Proprietary" versions) of BellSouth's responses to the discovery filed by the various parties in this proceeding. Both the paper copies and the Proprietary CD ROM contain proprietary information that should be treated in accordance with the terms of the Proprietary Order. CD ROM copies of BellSouth's responses were sent via overnight courier yesterday to counsel of record. As noted in its responses, there are a few data requests BellSouth is still working on. BellSouth will file responses to those requests as soon as possible.

The KMC parties did not participate in the 1997 271 case and have not confirmed that they will abide by the terms of the Protective Order. Consequently, BellSouth provided copies of its non-proprietary discovery responses to the KMC parties and agreed to provide the proprietary portions of the responses as soon as the KMC parties confirm their agreement to abide by the Protective Order.

Thank you for your attention to this matter.

Very truly yours,



Guy M. Hicks

GMH:ch

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REQUEST: In a spreadsheet provide BellSouth's annual profit from Tennessee operations, in millions of dollars, for each year from 1996 through 2001.

RESPONSE: BellSouth objects to this Data Request on the grounds that it is not relevant to the subject matter of this proceeding and not reasonably calculated to lead to the discovery of admissible evidence.

REQUEST: Provide the annual revenue received from Tennessee operations for each year from 1996 through 2001.

RESPONSE: BellSouth objects to this Data Request on the grounds that it is not relevant to the subject matter of this proceeding and not reasonably calculated to lead to the discovery of admissible evidence.

REQUEST: In a spreadsheet, provide a list of services currently offered by BellSouth in Tennessee and the current price for each service. If any service now has a price that is lower than it was in 1998, 1999 or 2000, indicate what the old price was, the year it applied to the service, and provide the ratio of the old price to the current price.

RESPONSE: BellSouth objects to this Data Request on the grounds that it is not relevant to the subject matter of this proceeding and not reasonably calculated to lead to the discovery of admissible evidence.

REQUEST: In the spreadsheet listing services now offered in Tennessee, provide the percentage of annual revenues accounted for by the service during the year 2000; for example, if a certain service provided \$50 million, then the percentage is 10%.

RESPONSE: BellSouth objects to this Data Request on the grounds that it is not relevant to the subject matter of this proceeding and not reasonably calculated to lead to the discovery of admissible evidence.

REQUEST: For each year from 1996 through 2001, provide the number of local loops BellSouth owned in Tennessee.

RESPONSE:

TENNESSEE	Year End 95	Year End 96	Year End 97	Year End 98	Year End 99	Year End 00	2Q01
Total BellSouth Owned Local Loops	2,851,830	2,949,467	3,052,876	3,165,769	3,236,842	3,300,237	3,319,872

These figures are from the luvmqtr (Loop Utilization View Module Quarterly) reports.

REQUEST: In Tennessee for each year from 1996 through 2001, provide the number of BellSouth-owned local loops capable of supporting Digital Subscriber Line (DSL) Service.

RESPONSE: Information responsive to this request includes proprietary information and is being provided under separate cover, subject to the terms of the protective order entered in this proceeding.

REQUEST: In Tennessee for each year from 1996 through 2001, provide the number of DSL subscribers that BellSouth served.

RESPONSE: Information responsive to this request includes proprietary information and is being provided under separate cover, subject to the terms of the protective order entered in this proceeding.

REQUEST: For each year from 1996 through 2001 provide the number of BellSouth-owned local loops in Tennessee, where a competitor delivered DSL service over BellSouth's loop.

RESPONSE: The following is the number of 'Line Shared' lines in Tennessee. It does not include any loops competitors may have used for DSL service not using 'Line Sharing'.

BellSouth is not in a position to be able to determine what a competitor is delivering over the loops purchased from BellSouth. Accordingly, the following represents competitor purchases of Line Sharing and Line Splitting xDSL 'capable' loops in Tennessee.

LINE SHARING and LINE SPLITTING:

(Note: Line Sharing was available June 6, 2000. Line Splitting was available June 19, 2001)

1996	0	Not an existing offering
1997	0	Not an existing offering
1998	0	Not an existing offering
1999	0	Not an existing offering
2000	105	
2001	208	YTD through July 31, 2001

BellSouth does not know the type of service that a CLEC may be offering on a UNE loop provided by BellSouth. BellSouth has not retained in-service quantities of UNE loops for 1996.

The following are the in-service quantities of CLEC purchased UNE loops in TN that are inventoried by BellSouth as xDSL-compatible:

EOY 1997 = 0
EOY 1998 = 2
EOY 1999 = 248
EOY 2000 = 2,475
Thru July 2001 = 3,811

REQUEST: For each year from 1996 through 2001, provide the number of BellSouth-owned local loops in Tennessee, where a competitor delivered "Plain Old Telephone Service" over BellSouth's loop.

RESPONSE: BellSouth does not know the type of service that a CLEC may be offering on a UNE loop provided by BellSouth. BellSouth has not retained in-service quantities of UNE loops for 1996.

The following are the in-service quantities of CLEC purchased UNE loops in TN that are inventoried by BellSouth as "Plain Old Telephone Service" compatible:

EOY 1997 = 10,403
EOY 1998 = 19,180
EOY 1999 = 33,915
EOY 2000 = 42,053
Thru July 2001 = 45,600

REQUEST: Provide an estimate of the annual revenues BellSouth believes it has lost to competitors in Tennessee, for each year from 1996 through 2001. Regarding the data provided, indicate what services accounted form the lost revenues and who the competitors are.

RESPONSE: Revenue losses:

1996	\$ 14,800
1997	\$ 11,712,400
1998	\$ 60,526,760
1999	\$107,995,000
2000	\$147,413,000
2001	\$ 85,166,040 six months

These are regional numbers and does not include lost opportunities.

This information is not kept at a state level. In addition, services accounting for lost revenue and to whom the revenue is lost is not tracked.

REQUEST: For services currently provided by BellSouth in Tennessee, indicate which services, if any, will have their prices reduced when BellSouth offers interLATA service in Tennessee.

RESPONSE: BellSouth makes pricing decisions based on a number of factors and variables including current market conditions. At this time, BellSouth is unable to state "which services, if any, will have their prices reduced when BellSouth offers interLATA service in Tennessee."

REQUEST: Has competition in Tennessee caused BellSouth to delay equipment purchases or discharge personnel? If the answer is 'yes' provide the dollar value of the equipment, the dollar value of the compensation that was avoided by discharging the personnel.

RESPONSE: BellSouth objects to this Data Request on the grounds that it is not relevant to the subject matter of this proceeding and not reasonably calculated to lead to the discovery of admissible evidence.

REQUEST: Has competition in Tennessee caused BellSouth to make equipment purchases or add personnel? If the answer is 'yes' provide the dollar value of the equipment, the dollar value of the compensation for adding the personnel.

RESPONSE: BellSouth objects to this Data Request on the grounds that it is not relevant to the subject matter of this proceeding and not reasonably calculated to lead to the discovery of admissible evidence.

REQUEST: Has competition affected the price of BellSouth's common stock? If the answer is 'yes' provide any study or report prepared by the company or its consultants, to support your answer.

RESPONSE: BellSouth objects to this Data Request on the grounds that it is not relevant to the subject matter of this proceeding and not reasonably calculated to lead to the discovery of admissible evidence.